

A Publication from INPUT's Federal Information Technology Market Program

The Pentagon's CIM— Driving IS Into the 21st Century

CIM is the buzzword associated with DoD information systems. Although CIM was established in October 1989, many vendors still have questions such as:

- What is CIM?
- What is its status now?
- Where is it going?
- How does CIM impact contractors?

In the commercial and federal worlds the theory behind Corporate Information Management is the same: change the way work is performed. This does not necessarily translate into automating or buying new technology to replace old or inefficient business methods.

The DoD is implementing Corporate Information Management (CIM) planning departmentwide in response to budget slashing by Congress. CIM is the application of business case analysis to existing DoD business practices and supporting ADP functions. As a business process, CIM will influence most DoD information systems development and use by the year 2000.

The CIM Plan objectives are to:

- Evaluate and consolidate business practices

- Standardize data
- Use IS to support business processes

CIM principles are expected to be applied to most business processes within the Pentagon, with the exception of embedded weapons systems. At present, twelve functional business areas, listed in Exhibit 1, are targeted for compliance with CIM principles. Additional areas will be identified in the future.

Standardization of business processes and their supporting information systems, including data elements, is expected to dramatically improve DoD cost-efficiency ratios.

Despite DoD's promotion of CIM, contractors are still bewildered, for some of the reasons listed in Exhibit 2. Its application DoD-wide has far-reaching implications for information systems and services vendors. To some, CIM seems to be getting off to a slow start. For others, CIM means cancelled or delayed procurements. Threats to existing contracts are also rumored. Vendors expect a clear implementation plan identifying large-scale CIM-sponsored procurements, but none is forthcoming. Announcements of standard migration systems are coming slowly. DoD IS procurements appear to be on hold.

Exhibit 1

CIM Functional Areas

- Civilian payroll
- Distribution centers
- Financial operations
- Civilian personnel
- Medical
- Government furnished material
- Materiel management
- Contract management
- C3I
- Food service
- Environment
- Procurement

Source: INPUT

Exhibit 2

Vendor Implications

Negative	Positive
Delayed/cancelled procurements	Piecemeal implementation
Few large-scale projects No detailed plan of existing systems	Modification/enhancement
Few migration systems	Standards compliance
Slowdown in Defense contracting	Refurbishable technology

Source: INPUT

The DoD had primarily focused on building the organizational structure needed to direct CIM policy and guide its implementation. Now that it is established, solicitations for contractor services should begin to appear in FY 1992.

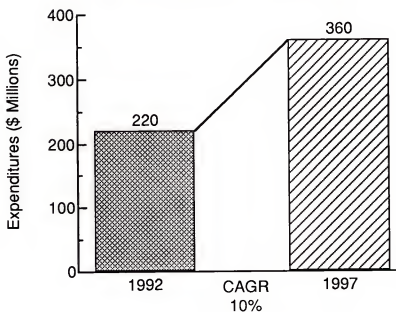
CIM's implementation will occur incrementally, allowing for project flexibility. Most opportunities for vendors will be on a small scale. Technical support services awards will be required to modify and enhance existing systems for DoD-wide applicability. Services are also anticipated to make existing systems standards-compliant, allowing for interoperability and compatibility between Department entities. Hardware and software are now viewed as commodity items by DoD purchasers. Vendors who can supply plug-and-play technology should find that the DoD still offers many opportunities to win contracts.

INPUT forecasts that the IT budget requested for CIM will grow from \$220 million in FY 1992 to \$360 million in FY 1997, as shown in Exhibit 3.

Most of the funds will be allocated to outsourcing services from vendors to support the development of standard systems. However, CIM principles will be far reaching, and will influence the spending of billions of Pentagon dollars for IT. Mission managers, not IRM organizations, will have direct control over how they spend their dollars after receiving DoD approval. Agency IRM organizations may have to compete with vendors for business as mission managers seek the best value for their dollars.

Exhibit 3

CIM IT Forecast, FY 1992-1997



Source: INPUT

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